

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2019– 2020 and thereafter)

B.COM (A&F). DEGREE EXAMINATION NOVEMBER 2024
ACCOUNTING AND FINANCE
FIFTH SEMESTER

COURSE : MAJOR – CORE
PAPER : INDIVIDUAL TAX ASSESSMENT
SUBJECT CODE : 19AF/MC/IA54
TIME : 3 HOURS **MAX. MARKS: 100**

SECTION – A

ANSWER ALL QUESTIONS:

(10 x 2 = 20)

1. Who is an Assesse?
2. Mention any four characteristics of Salary.
3. State the rate of Depreciation for the following items:
a) Furniture b) computer c) residential building d) surgical equipment
4. List any four income specified under sec 56(2).
5. Write a short note on Deemed Income.

6. Mr. Gurusamy, a crew in an Indian ship, left India on 10.08.2023 and came to India only on 15.06.2024. Determine his residential status for the P.Y. 23-24.

7. Mr. Madhavan was appointed on 1.1.2020 in a pay scale of 14,000 – 2,000- 20,000-3,000-35,000. Compute his basic salary for the P.Y. 23-24 if salary is due on the last day of every month.

8. Determine whether the following assets are short or long term:
a) House property purchased on 10.01.2022 sold on 15.09.2023
b) Listed shares of a company purchased on 15.04.22 sold on 12.12.2023
c) Diamonds purchased on 08.08.2021 sold on 10.01.2024
d) Units of equity funds in a mutual fund company on 15.11.22 and sold all units on 05.12.2023.

9. i) Winnings from horse race, net amount received ₹ 1,47,000
ii) Winnings from lottery ₹ 15,000
Calculate income from other sources.

10. Determine the Gross Annual Value for the A.Y. 24-25
Fair Rent ₹ 90,000, Standard rent ₹ 70,000, Municipal rent ₹ 80,000,
Annual rent ₹ 96,000. Vacancy period – 2 months.

SECTION – B

ANSWER ANY FIVE QUESTIONS:

(5 x 8 = 40)

11. Compute total income of Mr. Kumar if he is a Resident, Non an ordinary resident, Non-resident:

- a) Income from property in New York received there ₹ 1,20,000
 b) Income from business in Kolkata managed from Singapore ₹ 2,40,000.
 c) Profit on sale of machinery in California (one-half received in Kolkata) ₹ 90,000.
 d) Dividend (Gross) received in Thailand from a company registered in India but mainly operating in Thailand ₹15,000.
 e) Income from a house property in Dhaka deposited by the tenant there in a foreign branch of SBI ₹ 36,000.
 f) Gift in foreign currency ₹3,50,000 from a relative (one-half received in India and the balance used in New York).
 g) Income from agriculture in Burma 45,000 received there. 1/3rd used while visiting there and 2/3rd remitted later to Kolkata.
 h) Income from profession (as a management consultant) in Philippines received there. The profession set up in India ₹ 2,20,000.
12. Mr. Kiran retired on 30.09.23 after serving 23 years and 9 months. He was receiving a basic salary of ₹ 6,000 p.m. and as D.A. 20% of his salary (50% D.A. forms part of salary). On retirement he received ₹ 1,80,000 as gratuity. He was entitled to a pension of ₹ 3,600 p.m. from 01.10.23. he got 75% of pension commuted on 01.01.24 and received a sum of ₹1,20,000 as commuted pension. Compute his taxable gratuity, pension and commuted pension. He is not covered under gratuity act.
13. Mr. Mohan is the owner of a big house consisting of three equal and independent units. Unit I is let out at a rent of ₹ 10,000 p.m. Unit II is being used in owner's own business, whereas Unit III is being used for his own residence. Other particulars of the house are as follows:

Municipal rental value	₹ 1,50,000
Fair rental value	₹ 1,80,000
Standard rent	₹ 2,40,000
Municipal Taxes	₹ 22,500
Repairs	₹ 15,000
Interest on borrowed capital For construction of house	₹ 1,50,000

Unit I remained vacant for 2 months and one month's rent could not be realised from tenant. Determine income from house property for the P.Y. 23-24.

14. The following is the income and expenditure statement of Mr. Sadagopan, a lawyer for the year ending 31.03.2023. You are required to compute his income from profession.

Expenditure	Amount	Income	Amount
To salaries	24,000	By legal fees	1,14,000
To rent	6,000	By presents from clients	20,000
To law books purchase	5,000	By special commission fees	6,000
To telephone expenses	8,000	By house rent	15,000
To charity	10,000	By interest on bank deposits	5,000
To loss on sale of shares	5,000		
To motor car expenses	3,000		
To office expenses	8,000		
To electricity expenses	4,000		
To gifts to daughter	7,000		
To surplus	80,000		
Total	1,60,000	Total	1,60,000

Additional information:

1. One-third of car expenses is for personal use
 2. One-fourth of telephone expenses is for personal use
 3. Half of the rent and electricity charges are for his residence.
15. During the previous year ended 31.03.2023 Ms. Devaki sold the following assets:
- 1) Shop purchased in 2012-13 (CII 200) for ₹ 40,000 ₹1,00,000
 - 2) Machinery purchased in 2010 – 11 (CII 167) for ₹ 50,000 ₹ 60,000
(WDV in 1.4.2023 ₹ 35,000)
 - 3) Furniture purchased on 01.05.2023 for ₹ 1,000 ₹ 1,300
 - 4) Machinery purchased on 01.05. 2023 fr ₹10,000 ₹ 12,000
 - 5) Agricultural land in Agra purchased in 1999-2000 for ₹ 20,000 ₹ 1,25,000
FMV on 1.4.2001 (CII 100) being ₹35,000
 - 6) One residential house purchased in 2014-15 (CII 240) costing ₹ 70,000 ₹ 1,50,000
During the year he purchased another house for his residence for ₹ 3,00,000.
Compute capital gain.
16. From the following details of Mr. Raman for the previous year 2023-24 ascertain income from other sources:

	₹
Directors fee from a company	12,000
Interest on bank deposits	2,000
Income from undisclosed source	3,000
Winnings from lotteries (net)	24,000
Revenue from lectures	5,000
Interest on post office bank account	5,000
Interest from govt. securities	2,700
Cash gift from a friend for birthday party	54,000
F. D. interest accrued	52,000
50,000, 9% tax free commercial securities.	
45,000 interest on debentures received from a listed company	
Royalties from books written	28,000
Proof reading expenses for book ₹ 3,000	

17. Shri Sudhir, an individual submits the following information relevant for the A.Y. 2024-25.
Compute the gross total income of Sudhir.

Particulars	Profit	Loss
Salary income (computed)	84,000	
Income from house property (computed)		
House X	30,000	
House Y		34,000
House Z		42,000
Profits and gains from business and profession:		
Business A	16,000	
Business B		20,000
Business C (speculation)	22,000	
Business D (speculation)		46,000
Capital Gains:		
STCG	12,000	

STCL		56,000
LTGC	25,000	
Income from other sources:		
Income from card games	38,000	
Income from betting	30,000	
Loss from card game		14,020
Loss on maintenance on race horses		12,000
Interest on securities	8,000	

SECTION – C

ANSWER ANY TWO QUESTIONS:

(2 x 20 = 40)

18. Mr. Sen employed at Kolkata with a mercantile firm as Sales Manager. From the undernoted particulars, compute his taxable income under the head salary for the Assessment Year 2024-25 under old tax regime.
- Basic salary - ₹22,500 x 12 = ₹ 2,70,000
 - Dearness Allowance at 20% of the basic salary but only 10% of salary is eligible for service benefits.
 - Incentive Commission at 1% of the turnover achieved by him but not exceeding one month's salary. The turnover achieved by him for the relevant previous year was ₹18,72,800
 - Mr. Sen 's contribution to the Recognised Provident Fund is ₹3,500 p.m. and the employer also contributes an equal amount
 - Interest credited to Provident Fund at the rate of 11% per annum amounted to ₹27,500.
 - The employer pays Mr. Sen a house rent allowance of 4,000 per month and Mr. Sen lives in a rented house for which he pays a rent of ₹ 6, 000 per month.
 - He is provided with a motor car of more than 1.6 lt capacity which he uses both for private and office purposes. The employer pays all expenses of the said car including driver 's salary of ₹ 4, 250 per month.
 - He took a loan of ₹1, 50,000 on 1.4.2023 from his employer to purchase a car. Rate of interest being 7.70% p.a. Prescribed rate of interest by SBI as on 1.4.2023 is assumed to be 9.70%.
 - He has been getting entertainment allowance of ₹18,000 per year.
 - Mr. Sen 's son is a medical student of Kolkata Medical College and his employer paid ₹60,000 as his education fee.
 - According to the terms of appointment his employer contributes a sum of ₹ 20,000 per year to an approved Superannuation Fund on his account.
 - During the relevant previous year Mr. Sen paid the following Life Insurance Premium.
 - On a policy of ₹ 1,60,000 on his own life - ₹ 18,000 policy taken in July 2013.
 - On a policy of ₹ 50,000 on his son's life - ₹ 4,000
19. The profit and loss account for the year ended 31st March, 2024 of a Arun and sons a proprietary manufacturing concern is as follows:

Particulars	₹	Particulars	₹
To opening stock	50,000	By Sales	19,40,000
To Purchases	12,00,000	By Closing Stock	60,000
To Wages	3,00,000		
To Salaries	1,00,000		
To Interest	45,000		
To customs duty	12,000		
To general charges	63,000		
To depreciation	35,000		
To income tax	55,000		
To drawings	18,000		
To net profit	1,22,000		
Total	20,00,000	Total	20,00,000

The following particulars are available:

- Both the opening and closing stocks are valued 20% under cost
- wages include a sum of ₹ 5,000 paid to the proprietor's domestic servant
- interest includes ₹ 10,000 for the period 1.5.2022 to 30. 4.2023 paid in respect of a loan taken to purchase a machine which was installed on 1st August 2023.
- Customs duty includes ₹ 4,000 for clearing the machine referred to in (c)
- WDV of different assets on 1.4.2023 is as follows
Residential houses for employees (5% block) ₹ 4,00,000
P & M (15% block) ₹ 60,000
Factory Building (10% block) ₹ 3,50,000
Cost of new machine acquired and used from 1.8.2023 ₹ 40,000

Compute the business income.

20. Mr. Siddaramaiah sold the following assets during the year 2023-24 as he has discontinued his business :

	Sales Proceeds
a) Land purchased in 2001-02 situated at Mysore for ₹ 80,000	3,40,000
b) Machinery purchased for ₹ 12,000 in 2004 (WDV on 1.4.23 ₹ 6,000)	21,000
c) Office furniture purchased in April 2023 for ₹ 1,200	1,700
d) Shop purchases in 2004 – 05 (CII 113) for ₹90,000	3,10,000
e) Residential house purchased in 2001-02 for ₹ 70,000 sold on 15.4.2024	3,50,000
f) ₹ 10,000 10% listed debentures purchases on 1.5.2023 sold on 16 th March 2024	12,000

He purchased another residential house on 15.3.2024 for ₹6,50,000 during the year. Compute his taxable capital gains.

21. Dr. V.P Sharma whose age is 69 years has given the following details of his income.
Compute his tax liability for the assessment year 2024-25 under the old tax regime

	₹
i. Pension from Government	2,47,500
ii. Salary from a private sector company	6,50,000
iii. Long term capital gain	36,500
iv. Interest on fixed deposit with bank	72,600
v. Deposited ₹ 10,000 in an equity linked saving scheme and ₹ 10,000 in NSS 1992.	
